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U. S. Department of Agriculture

HOUSEKEEPERS' CHAT

Thursday, July 26, 1934.

(FOR BROADCAST USE ONLY)

Subject: "The Government Sugar Program." Approved by the Bureau of Home Economics, U.S.D.A.

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"Do you understand the Government sugar program?" asks a listener. "If you do, will you please explain it to me? I've heard so much lately about processing taxes and quotas and tariffs that I'm all at sea. What I want to know, mainly, is whether the new processing tax will increase the price of sugar to the housewife.

Well, I think I can explain the sugar situation, briefly, even though I'm not a trained economist. We'll begin with the processing tax.

As some of you will recall, the same day the processing tax of half a cent a pound went into effect, the tariff on sugar from Cuba and other foreign countries was reduced half a cent a pound. In anticipation of this reduction, the price of sugar declined steadily during the last three months. The average retail price in the United States dropped from 5.6 cents per pound, in early February, to 5.3 cents on June 5, which is almost a cent lower than the retail price before the war. The wholesale price of raw refined sugar dropped too, in even larger amount.

Well, as you can see, the new tax balances the tariff reduction, so we shouldn't have to pay any more for sugar than we paid before the tariff reduction plan was announced.

Will the price of sugar go up? There may be a rise in retail price of about half a cent over more recent prices. As I have said, we've been paying a pretty low price for sugar, during the past few months -- since the tariff reduction was announced.

Someone asked me the other day whether the sugar industry gets the money, if the price is increased. No, the increase will go to the Treasury of the United States. Later, farmers will receive benefit payments from this fund. Incidentally this is the first tariff reduction on a major commodity since the war.

Sugar is a mighty interesting subject, when you know its history. Before the Christian era, Europe was importing small quantities of sugar from the Orient. It was a very costly product in those days -- a luxury, like spices and used only as a medicine. Then, toward the end of the Middle Ages, sugar was served in other foods, and as a sweetmeat, but it was still very expensive.

Nobody seems to know how long the Asiatics have been using sugar. It's mentioned in the Sanskrit language of ancient India, and Sanskrit is one of the oldest of all languages.



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All the early sugar was made from sugar cane. The Arabs carried sugar cane into northern Africa, and sometime during the Eighth Century, it reached Europe. We don't know just when it came to North America. I've read that Columbus brought some sugar-cane seedlings on his second voyage. Of course, we know from our History that the American Indians used honey and maple sugar for sweetening.

I made an interesting discovery, in my study of sugar. I had always thought that sugar from sugar beets was comparatively modern. But history tells us that the Chinese were making a crude sugar from beet juice, in the very early days.

However, refined beet sugar is comparatively new. Until only two or three generations ago, Europe and America relied almost entirely on sugar cane, for sugar. People laughed at the idea of making sugar from beets. In France, they made fun of Napoleon the First, because he offered a prize of one million francs for the best method of manufacturing sugar from beets. Nowadays the world supply is about equally divided between cane and beet sugar, and there's no difference in the quality of the two kinds. If you're making jelly or putting up canned fruit, you can use either cane sugar or beet sugar and never know the difference.

For some time since the war, we've had a huge world surplus of sugar. The Government is trying to help the sugar producers. One of the chief aims of the Government program is to stabilize the sugar industry, to prevent a collapse of prices which would bring distress to some eighty thousand sugar farmers in the United States. Congress has made sugar a basic commodity. Sugar is an international problem, and we can't cure our own sugar troubles without considering the world situation. The Government has recently limited the amount of sugar from the island territories, and from Cuba, by means of quotas.

I've heard people ask the question, Couldn't the United States produce enough sugar to supply all our own needs, without depending on the outside? That might be possible, but it would mean an even higher tariff policy than we have had, and would make Cuba's economic condition even more serious. Our high sugar tariff took away the chief market for her main products. As a result, thousands of farmers in the United States could no longer sell their products to Cuba. You may remember that Cuba used to depend on us for much of her butter, cheese, milk, pork, lard, corn, oats, wheat flour and vegetable oils. Cuba was a good export outlet for American farm products.

Now I'm going to sum up the principal objectives of the Administration's sugar program, without using too many technical terms.

First, the Government, through its sugar program, is asking cane and beet sugar farmers to adjust their crops in return for benefit payments. To finance the sugar program -- the benefit payments -- the Government levies a processing tax of half a cent a pound on sugar. To balance the processing tax, and avoid increased price to the consumer, the Government reduces the tariff on sugar half a cent a pound. The sugar program also seeks to increase the income and buying power of domestic producers, to improve labor conditions, and to regulate child labor.

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